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SUBJECT: MOZAMBIQUE: PRESIDENT GUEBUZA'S JUNE 1 MEETING WITH
MCC CEO DANILOVICH

¶1. Summary: On June 1, 2006, President Armando Guebuza of Mozambique met with the CEO of the Millennium Challenge Corporation (MCC), Ambassador John Danilovich, during the World Economic Forum in Cape Town, South Africa. The exchange was very positive, and demonstrated the support and commitment from both the Mozambican leadership and MCC for a possible Mozambican Compact by or before the first quarter of 2007. End Summary.

¶2. In his meeting with President Guebuza June 1, Ambassador Danilovich thanked Guebuza for his leadership role in the Mozambican Compact development process and emphasized the need for his continued leadership to assure a successful program. Guebuza, in turn, emphasized his government's commitment to reaching a Compact with MCC. When discussing the aggressive timeframe for the Mozambique Compact execution by the end of 2006 or the first quarter of 2007, Guebuza stated that Mozambique "had no time to lose." Both men acknowledged the importance of conducting a responsible amount of project preparation, while maintaining a fast track timeframe.

¶3. Ambassador Danilovich complimented the partnership formed between MCC and the Mozambican Core Team. He stressed the importance of the Core Team securing legal counsel and appropriate technical experts by mid June, in order to stay on track for the aggressive timeline.

¶4. Note: The Core Team's legal counsel will be responsible for assisting the government to develop the governance framework for the proposed MCC program, as well as to assist with other programmatic issues. Additional technical experts on the Core Team will strengthen the Core Team ability to evaluate and respond to the multitude of consultants' deliverables. These deliverables will ultimately be used by the Core Team to form a comprehensive and coherent MCC proposal with detailed program and activity design. End Note.

Comment

¶5. A realistic assessment of Compact closing would be toward the end of the first quarter of 2007, assuming no slippage in an otherwise extremely aggressive schedule.

La Lime